

MONTGOMERY COUNTY, MARYLAND
AND
THE STATE OF MARYLAND
FIRST AMENDMENT TO LEASE AGREEMENT

THIS LEASE AMENDMENT, made and executed this 27 day of February 1984, by and between MONTGOMERY COUNTY, MARYLAND (hereinafter referred to as Lessor) and THE STATE OF MARYLAND (hereinafter referred to as Lessee).

WITNESSETH:

WHEREAS, Lessor and Lessee are parties to a Lease Agreement dated August 7, 1984, (hereinafter referred to as the "Lease"), under which Lease the Lessee occupies the premises known as the Grey Courthouse, North Washington Street, Rockville, Maryland, (hereinafter referred to as the "Premises") upon terms and conditions more particularly described in the Lease, and;

WHEREAS, Lessor and Lessee desire to further amend and modify the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained in the Lease and for other good and valuable consideration as hereinafter set forth in this First Amendment, Lessor and Lessee agree as follows:

1. Paragraph 4 - RIGHT OF TERMINATION shall be amended to read as follows:

"4. RIGHT OF TERMINATION: Lessor shall allow Lessee to withdraw from this Lease at any time during the term hereof, by Lessee providing to Lessor not less than twelve (12) months' written notice of Lessee's intention to terminate.

In the event of such a termination by Lessee, Lessee shall pay to Lessor, in a lump sum payment due sixty (60) days from the date of termination, an amount equivalent to the outstanding balance owed to the Lessor for Lessor's contribution to the construction costs as established in Paragraph 8A hereof, and all costs associated therewith, whether already incurred or to be incurred by Lessor at some future date. Rental payments and reimbursement for maintenance expenses incurred by Lessor on Lessee's behalf shall be adjusted to the date of termination.

2. Paragraph 6 - USE OF THE PREMISES shall be amended to read as follows:

"6. USE OF THE PREMISES: The leased premises shall be used to house the District Court of Maryland, the Office of the Public Defender, the Office of Juvenile Services, the District Court Diagnostic Evaluation Services, and any other agency providing court related services."

3. Paragraph 8 - INITIAL CONSTRUCTION, Section A, shall be amended to read as follows:

"A. The Lessor shall provide a contribution in the amount of THREE MILLION ONE HUNDRED TWENTY-SEVEN THOUSAND AND NO/100 (\$3,127,000.00) DOLLARS towards the initial construction costs, said contribution to be repaid to the Lessor by the Lessee in one hundred twenty (120) consecutive monthly payments, the first of which payments is due on the first day of the month following the commencement date of the Lease term, and the remaining payments to be due on the first day of each succeeding month thereafter. Said monthly payments shall reflect reimbursement to the Lessor of Lessor's contribution towards the construction costs, and shall be adjusted on an annual basis to include interest rates on

County bonds that may be issued to finance the construction. Lessor shall submit annual computations to the Lessee, documenting adjustments made pursuant to this Paragraph 8A. For purposes of Paragraph 33 hereof, monthly payments due hereunder shall not be considered as additional rent.

4. Paragraph 8 - INITIAL CONSTRUCTION, Section B, shall be amended to read as follows:

"B. The Lessee shall provide a contribution in the amount of TWO MILLION AND NO/100 (\$2,000,000.00) DOLLARS towards the total initial construction costs, resulting in a joint contribution by Lessor and Lessee of FIVE MILLION ONE HUNDRED TWENTY-SEVEN THOUSAND AND NO/100 (\$5,127,000.00) DOLLARS. In the event that the total initial construction cost is less than the Lessor and Lessee's joint contribution, Lessor and Lessee shall share the savings in the same proportion that their individual contributions bear to the total joint contribution as hereinabove stated. While the Lessor and Lessee acknowledge the possibility of cost overruns, the Lessor hereby represents to the Lessee that the Lessor will make a diligent effort to insure that the total initial construction costs do not exceed the Lessor's and Lessee's joint contribution. The Lessor further agrees that it will not authorize any expenditures in excess of said joint contribution without the Lessee's written consent thereto. The above notwithstanding, the Lessee shall remain responsible for any expense associated with the total initial construction in excess of the joint contribution as hereinabove stated. Lessee shall work in conjunction with the Montgomery County Department of Finance and Office of Management and Budget with regards to the arrangements for financing and disbursement of any and all funds required for or associated with the initial design, planning, administration, project management and construction.

5. OTHER TERMS, CONDITIONS AND COVENANTS:

Lessor and Lessee agree that all terms, conditions and covenants contained in the Lease dated August 7, 1984, a copy of which is attached hereto and made a part hereof, shall remain in full force and effect without any change or modification except as otherwise indicated in this Amendment. Lessor and Lessee further agree that this Amendment and all the provisions herein contained are fully subject to the approval of The State of Maryland Board of Public Works, and that if The State of Maryland Board of Public Works fails to approve sufficient funding for the Lessee to meet its financial obligations as hereinabove recited, this Amendment and all the provisions herein contained shall become null and void.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be properly executed.

LESSOR:

ATTEST:

MONTGOMERY COUNTY, MARYLAND

By: Patricia Affens

By: Robert K. Kendal
Robert K. Kendal, Assistant
Chief Administrative Officer

Date: 10/31/84

By: Thomas S. Abraham 10/16/84
Thomas S. Abraham, Director
Dept. of Facilities & Services

By: Gloria W. Kratz
Gloria W. Kratz, Chief
Div. of Space & Leasing Mgmt.